

S. S. KRESGE COMPANY



ANNUAL
REPORT
1964

First K mart in Colorado serves in a majestic setting provided by world-famous Pikes Peak. The 98,800 square-foot unit opened in Colorado Springs in November, 1964.



HIGHLIGHTS

1964

	1964	1963
Sales	\$683,298,128	\$543,671,431
Number of Stores *	885	854
Net Earnings	\$ 17,150,101	\$ 11,088,788
Per Share **	3.12	2.02
Average Number of Shares Outstanding	5,500,072	5,500,128
Dividends Paid by Company in Cash	\$ 6,602,049	\$ 6,607,072
Per Share	1.20	1.20
Employees' Compensation and Benefits	\$113,916,613	\$ 99,271,855
Per Sales Dollar	16.67%	18.26%
Depreciation and Amortization Provided	\$ 12,141,530	\$ 11,220,212
Per Sales Dollar	1.78%	2.06%
Capital Expenditures	\$ 15,920,981	\$ 14,151,024

Other Highlights —

Sales increased 26% — Net earnings increased 55%.

35 K marts opened — Now 88 since March, 1962.

26 Kresge stores converted to Jupiter — Now 75.

K mart ladies' ready-to-wear licensee acquired.

* Does not include Holly units.

** Calculation based upon average number of shares outstanding.

NOTE: The information shown above gives effect to the acquisition of substantially all of the net assets of Holly Stores, Inc.

LETTER TO OUR SHAREHOLDERS

The Kresge Company's profits increased 55 percent in 1964.

Our improved earnings were due to substantial sales increases in all divisions—Kresge, K mart and Jupiter stores—producing a total volume gain of 26 percent. The final comparison with 1963 was also helped by a net increase of 11 cents per share resulting from our acquisition of Holly Stores, Inc., on February 1, 1965.

As previously indicated, 1964 was the target year for capitalizing importantly on the profit productivity of the K mart department-store program. The extraordinary progress of this enterprise, starting with the opening of the first store on March 1, 1962, has produced a higher return on investment than was originally projected. With 88 K marts in operation at the 1964 year-end, the contribution of this division was the most significant factor in our profit improvement last year.

While only four new Kresge stores were opened in 1964, favorable economic conditions and more aggressive promotional activity enabled our variety stores to produce their best comparative showing in many years. Not all Kresge stores are operating profitably, but the closing of 213 older units in recent years, the conversion of 75 locations to the Jupiter operation and basic merchandising adjustments have greatly strengthened the profitability of the Kresge division. A major portion of our earnings is still being produced by these stores, and they will continue to receive proportionate attention.

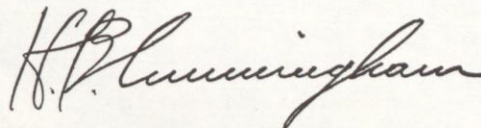
Continued progress was shown by the Jupiter discount division last year. Originated in 1961 as a defensive experiment to salvage older Kresge stores, our conversion program has now reached impressive proportions. Twenty-three stores have been converted since January 1, 1965, and four more are scheduled for early completion this year. Almost all converted stores are showing excellent net improvement.

The multiplying benefits from our various programs have encouraged your management to augment our construction schedule for 1965. In addition to Jupiter conversions, we have plans for 37 new K marts and three Kresge variety stores. Total capital expenditures of approximately \$16,000,000 this year will be financed by retained earnings and depreciation credits.

Our expanded activities have involved a restructured organization and numerous changes in key positions, but the most encouraging aspect of our present situation is the competence and enthusiasm with which our people are responding to increasing challenges. The mature experience of seasoned management personnel, the rapid development of several hundred young men in an intensified training program and the continued contribution of Kresge women are major reasons for our confident appraisal of your company's future.



Chairman of the Board



President



Parking lot is jammed beyond capacity at opening of third K mart in Atlanta, Georgia. The 74,000 square-foot unit opened in November, 1964. The three K marts provide employment for approximately 450 Atlanta residents.

REVIEWING 1964 AND LOOKING AHEAD

Substantially increased sales and net income for 1964 are the best proof of the confidence placed by a growing number of customers in Kresge, K mart and Jupiter stores. We are particularly encouraged by the continuing growth pattern of the first K marts opened in 1962.

As of February 1, 1965, we acquired the net assets of Holly Stores, Inc. A new subsidiary corporation of the same name was formed to hold these assets. Further details are on page 14 of this report and in the notes to the financial statements on page 11. The 1964 and comparable prior year's figures for Holly are consolidated in the statements on pages 7 through 13.

NET INCOME HIGHER

Net income of \$17,150,101 for 1964 was \$6,061,313 higher than 1963 profits. Stated on a

per share basis, 1964's earnings were \$3.12, compared with \$2.02 for 1963.

Kresge earnings, before consolidation with Holly, were equivalent to \$2.86 per share compared with \$1.87 for 1963. Holly Stores, Inc. provided an additional 26¢ per share for 1964 and 15¢ for 1963.

Sales and earnings of the Canadian subsidiary are included in the consolidated financial statements at appropriate rates of exchange.

All divisions and subsidiaries contributed to our improved results.

SALES UP

Sales increased \$139,626,697 in 1964 to \$683,298,128. This 25.7 percent increase is the largest in the company's history.

Sales of the companies, excluding Holly, were \$630,646,820 for 1964. This compares with \$504,503,194 for 1963, an increase of \$126,143,626 or 25 percent.

CASH FLOW

We have provided a statement on page 10 to show the source of funds and their disposition. Cash provided amounted to \$34,025,711. The comparable 1963 figure is \$26,933,569, excluding the increase in long-term financing of \$15,402,353. It is this substantial cash flow that makes possible our present expansion without benefit of external financing.

NEW STORES

At December 31, 1964 there were 885 stores in operation, a net increase of 31 compared with the 1963 year-end.

	Kresge	K mart	Jupiter	
Stores opened	6	33	2	
Closed permanently	12*		2*	
Closed in 1963—				
reopened in 1964		2	11	
Converted in 1964	13*		13	
Closed temporarily for conversion (to be re- opened as Jupiters) ..	9*			
Net Change	28*	35	24	
Stores in operation:				Totals
January 1, 1964	750	53	51	854
December 31, 1964	722	88	75	885

One K mart Food reported December 31, 1963 eliminated. Included above as part of total K mart operation.

*Reductions





The K mart chain expanded beyond continental North America in 1964. Residents of Puerto Rico wait for the opening in October of a 69,000 square-foot unit in San Juan, the capital city.

REVIEWING *Continued*

We added a net total of 2,046,729 square feet of selling space in 1964.

The division of stores by location is as follows:

	Kresge	K mart	Jupiter
United States	619	79	71
Canada	98	8	4
Puerto Rico	5	1	—

Holly Stores, Inc. was operating 62 specialty dress shops, 55 discount departments in K marts and 36 in other department stores.

Leases have been signed for 30 new K marts to open in 1965. Others being negotiated should result in an approximate total of 37 new K mart openings this year. A comparable program is anticipated for 1966.

We will open three new Kresge stores in 1965. Another 27 Kresge stores will be converted to Jupiter, including nine closed for that purpose at December 31, 1964.

As anticipated a year ago, the number of new competitive store openings has continued at a moderate level since the early months of 1963. There is no present indication of a major change in this trend.

WORKING CAPITAL

Working capital, following the Holly acquisition, is \$93,696,587, exceeding the 1963 restated figure by \$9,727,298. The ratio of current assets to current liabilities was 2.11 to 1, compared with 2.27 to 1 a year earlier. If Holly were excluded, the 1964 ratio would be 2.26 to 1, comparable with the 2.49 to 1 reported for December 31, 1963.

CAPITAL EXPENDITURES

Our investment in capital assets, net of depreciation, increased by \$2,548,376 in 1964. Capital expenditures totaled \$15,920,981, exceeding those of 1963 by \$1,769,957.

Depreciation provided and charged to earnings amounted to \$12,141,530, an increase of \$921,318 over last year. Holly Stores, Inc. depreciation provision was \$330,605 for 1964 and \$387,379 for 1963.

We continue to take advantage in Canada and the United States of accelerated depreciation and guide-line rates for income tax purposes. We added, as a result, an additional \$2,815,000 to the Deferred U. S. and Canadian Income Taxes account.

Capital expenditures will be slightly higher for 1965 and will be financed entirely by internally generated funds.

INCOME AND INCOME RETAINED

CONSOLIDATED STATEMENT OF INCOME AND INCOME RETAINED FOR USE
IN THE BUSINESS FOR THE YEARS ENDED DECEMBER 31, 1964 AND 1963

	1964	1963
		(Restated)
Sales	\$683,298,128	\$543,671,431
Income from leased departments	9,201,095	5,372,701
Interest income	637,670	307,493
	<u>693,136,893</u>	<u>549,351,625</u>
Cost of merchandise sold (including buying and occupancy costs)	500,192,588	382,811,790
Selling, general and administrative expenses	157,999,514	144,913,367
Interest	1,318,372	1,064,454
Loss on disposals of fixed assets and cancellation of leases	860,318	484,585
	<u>660,370,792</u>	<u>529,274,196</u>
	<u>32,766,101</u>	<u>20,077,429</u>
Estimated income taxes, including deferred income taxes		
U. S., less investment credit of \$655,000 and \$1,018,000, respectively	13,354,559	7,099,007
Canadian	2,261,441	1,889,634
	<u>15,616,000</u>	<u>8,988,641</u>
Net income for the year	17,150,101	11,088,788
Income retained for use in the business at beginning of year	147,233,026	142,764,792
Cash dividends paid by Company—\$1.20 a share	(6,602,049)	(6,607,072)
Cash dividends paid by Holly prior to merger	(147,609)	(13,482)
5% common stock dividend paid by Holly prior to merger at approximate market value at date of declaration (including cash in lieu of fractional shares) ..	(371,945)	
Excess of cost of treasury shares over proceeds of sales to officers and employees under stock option and stock purchase plans, less amount charged to capital in excess of par value (Note D)	(89,824)	
Income retained for use in the business at end of year ..	<u>\$157,171,700</u>	<u>\$147,233,026</u>

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1964 AND 1963

ASSETS	1964	1963
CURRENT ASSETS:		(Restated)
Cash	\$ 28,717,540	\$ 30,366,160
Marketable securities, at cost approximating market (Note A)	23,873,529	16,588,641
Accounts receivable, less allowances for possible losses of \$456,000 and \$340,000, respectively	15,067,976	9,610,792
Merchandise and materials on hand and in transit, at lower of cost (approximate first-in, first-out) or market	107,211,578	90,795,946
Operating supplies and prepaid expenses	3,299,333	2,951,151
	<u>178,169,956</u>	<u>150,312,690</u>
 OTHER ASSETS	 <u>2,285,752</u>	 <u>3,365,867</u>
 FIXED ASSETS:		
Land, buildings, furniture and fixtures, at cost	214,013,860	213,609,039
Less — Depreciation	79,103,522	81,183,687
	<u>134,910,338</u>	<u>132,425,352</u>
 Leasehold improvements, at cost, less amortization	 26,023,670	 27,034,097
Construction in progress	2,882,672	1,808,855
	<u>163,816,680</u>	<u>161,268,304</u>
	 <u><u>\$344,272,388</u></u>	 <u><u>\$314,946,861</u></u>

TO THE STOCKHOLDERS AND BOARD OF DIRECTORS
OF S. S. KRESGE COMPANY:

S. S. KRESGE COMPANY AND SUBSIDIARIES

LIABILITIES	1964	1963
CURRENT LIABILITIES:		(Restated)
Portion of long term debt due within one year (Note B)	\$ 1,531,523	\$ 1,483,352
Accounts payable — trade	46,770,423	37,657,686
Accrued taxes (other than U. S. and Canadian income taxes)	11,239,703	9,500,871
Accrued payrolls, expenses and other liabilities	14,450,990	12,972,713
Estimated U. S. and Canadian income taxes	10,480,730	4,728,779
	<u>84,473,369</u>	<u>66,343,401</u>
LONG TERM DEBT (Note B) :		
Notes payable	28,500,000	29,825,000
Real estate mortgages	2,438,624	2,840,836
	<u>30,938,624</u>	<u>32,665,836</u>
Less — portion due within one year	1,531,523	1,483,352
	<u>29,407,101</u>	<u>31,182,484</u>
DEFERRED U. S. AND CANADIAN INCOME TAXES	<u>17,692,000</u>	<u>14,877,000</u>
STOCKHOLDERS' EQUITY:		
Capital stock —		
Authorized 10,000,000 shares at \$10 par value		
Issued — 5,517,872 shares	55,178,720	55,178,720
Capital in excess of par value, statement attached	726,331	132,230
Income retained for use in the business, statement attached (Note B)	157,171,700	147,233,026
	<u>213,076,751</u>	<u>202,543,976</u>
Less — 9,094 shares held in treasury, at cost	376,833	
	<u>212,699,918</u>	<u>202,543,976</u>
	<u>\$344,272,388</u>	<u>\$314,946,861</u>

In our opinion, the accompanying consolidated balance sheet, the related consolidated statements of capital in excess of par value, income and income retained for use in the business and source and application of funds present fairly the financial position of S. S. Kresge Company and its subsidiary companies at December 31, 1964, the results of their operations and the supplementary information on funds for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

February 12, 1965, Detroit, Michigan

PRICE WATERHOUSE & CO.
Independent Accountants

CONSOLIDATED STATEMENT OF CAPITAL IN EXCESS OF PAR VALUE

	1964	1963
		(Restated)
Balance at beginning of year	\$132,230	\$ 52,572
Excess of cost of treasury shares over proceeds of sales to officers and employees under stock option and stock purchase incentive plans, less amount charged to income retained for use in the busi- ness (Note D)	(149,964)	(54,748)
Capital transactions of Holly prior to merger (Note A)—		
Stock dividend	369,775	
Sales of common stock upon exercise of common stock purchase warrants	378,753	
Common stock options exercised		134,874
Other	(4,463)	(468)
Balance at end of year	<u>\$726,331</u>	<u>\$132,230</u>

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1964	1963
		(Restated)
Source of Funds:		
Net income for the year	\$17,150,101	\$11,088,788
Depreciation and amortization	12,141,530	11,220,212
Increase in deferred U. S. and Canadian income taxes	2,815,000	2,936,604
Additions to long term debt		15,402,353
Sales of fixed assets	1,231,074	1,513,071
Other (including acquisition and sale of Company's stock under stock purchase and option plans)	688,006	174,894
	<u>\$34,025,711</u>	<u>\$42,335,922</u>
Application of Funds:		
Additions to fixed assets	\$15,920,981	\$14,151,024
Cash dividends paid by Company	6,602,049	6,607,072
Reduction of long term debt	1,775,383	1,203,245
Increase in working capital	9,727,298	20,374,581
	<u>\$34,025,711</u>	<u>\$42,335,922</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(A) BASIS OF CONSOLIDATION:

All wholly owned subsidiary companies, including Holly Stores, Inc. and its subsidiaries, have been included in the consolidated financial statements. For 1964, the net assets and net income of the Canadian subsidiary company amounted to approximately 21% and 16% of the consolidated net assets and net income, respectively. In consolidation the assets, liabilities and operations of this subsidiary were translated into U. S. dollars at appropriate rates of exchange.

In February, 1965 the Company issued through a newly formed subsidiary 238,165 shares of treasury common stock for substantially all of the net assets of Holly Stores, Inc. This acquisition has been given effect to as a pooling of interests in the 1964 financial statements and the 1963 financial statements have been restated accordingly. The accounts of Holly Stores, Inc. for the year ended January 31, 1964 and for the eleven months ended December 31, 1964 have been combined with the accounts of the Company for the years ended December 31, 1963 and 1964, respectively. Because of the nature of the business, the results of operations of Holly for the eleven months ended December 31, 1964 represent practically a full year's operations. The treasury common stock used in the acquisition was acquired from The Kresge Foundation in February, 1965 under an agreement of October, 1964. The cost of such shares (\$11,193,755) has been reflected in the accompanying consolidated balance sheets for 1963 and 1964 as a reduction of marketable securities inasmuch as the funds came from that source. The excess of cost over par value was charged to income retained for use in the business. The capital transactions of Holly prior to merger included the exercise of stock purchase warrants in January, 1965.

(B) LONG TERM DEBT:

At December 31, 1964 under note purchase agreements the Company owed \$12,750,000 at 3½% and \$15,000,000 at 4½% and a domestic subsidiary owed \$750,000 at 5%. Payments required under the agreements will aggregate \$1,375,000 in each of the years 1965 through 1967, \$1,625,000 in 1968 through 1974, \$2,000,000 in 1975, \$1,250,000 in 1976 through 1982 and the then unpaid balance on December 16, 1983. The agreements restrict the payment of dividends (other than stock dividends) and the purchase, redemption or retirement of shares of the Company's capital stock. At December 31, 1964, income retained for use in the business was approximately \$16,300,000 in excess of the amount so restricted.

(C) COMMITMENTS:

Purchase commitments and construction obligations in connection with the companies' expansion program amounted to approximately \$1,245,000 at December 31, 1964.

Rentals under 1,128 leases, exclusive of taxes of approximately \$2,930,000 and other expenses of approximately \$3,100,000 on all real property leased to the Company and its subsidiaries, aggregated \$29,973,133 during the year ended December 31, 1964.

These leases expire during the ten year periods ending December 31, as follows:

1974	\$15,599,885
1984	10,215,476
1994	2,952,522
2004	30,992
2005 to 2052	1,174,258
	<u>\$29,973,133</u>

(It is not practicable to compile the minimum annual rentals)

(D) STOCK OPTION AND STOCK PURCHASE INCENTIVE PLANS:

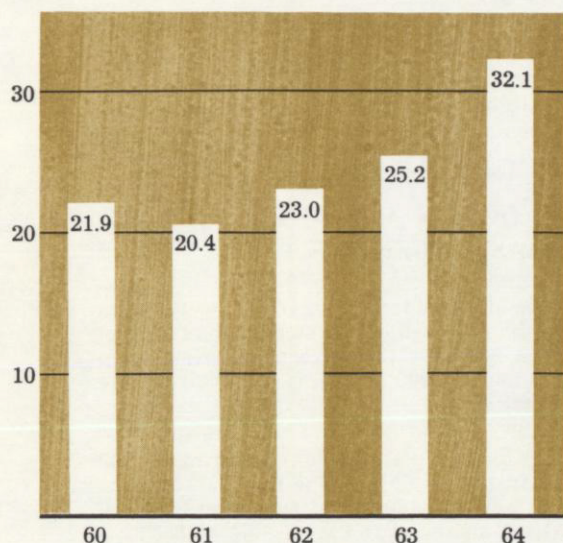
In May, 1962 the stockholders approved a stock option plan (amended in 1964 subject to stockholders' approval) and a stock purchase incentive plan covering up to 90,000 shares and 125,000 shares, respectively, of the Company's capital stock.

Under the stock option plan, options covering 62,508 shares, granted in 1962 at 95% of the fair market value at date of grant, were outstanding at December 31, 1964. Options for 51,400 shares were exercisable at \$30.88 a share of which 14,792 shares were exercised in 1964 at dates when the fair market value of such shares aggregated \$660,874. In 1964 options covering 12,200 shares at 100% of the fair market value (\$29.57) were granted (subject to stockholders' approval) and outstanding at December 31, 1964.

Under the stock purchase incentive plan adopted in 1962, 36,881 shares were sold to eligible officers and employees by payroll deduction at \$19.34 and \$24.97 a share, which prices were 85% of fair market value on applicable option dates as defined in the plan.

5 YEAR CASH FLOW FROM OPERATIONS

Millions of Dollars



10 YEAR

FINANCIAL SUMMARY

	1964	1963
Sales	\$683,298	\$543,671
Kresge, K mart and Jupiter Stores	885	854
Holly Units	153	144
K marts included	55	32
Net Income	\$ 17,150	\$ 11,089
Per Share *	3.12	2.02
Per Sales Dollar	.0251	.0204
Kresge Cash Dividends	\$ 6,602	\$ 6,607
Per Share	1.20	1.20
Per Sales Dollar	.0097	.0122
All Taxes	\$ 29,869	\$ 22,465
Per Share *	5.43	4.08
Per Sales Dollar	.0437	.0413
Inventories of Merchandise	\$107,212	\$ 90,796
% to Sales	15.69%	16.70%
Net Working Capital	\$ 93,697	\$ 83,969
% to Sales	13.71%	15.44%
Net Worth	\$212,700	\$202,544
Per Share *	38.67	36.83
Long Term Debt	\$ 29,407	\$ 31,182
Plant and Equipment Additions less Retirements	\$ 14,690	\$ 12,638

Dollar amounts shown in thousands.

* Calculation based on the average number of shares outstanding.

NOTE: The information shown above for the five years ended December 31, 1964 gives effect to the acquisition of substantially all of the net assets of Holly Stores, Inc.

S. S. KRESGE COMPANY AND SUBSIDIARIES

1962	1961	1960	1959	1958	1957	1956	1955
\$483,013	\$450,605	\$434,945	\$404,905	\$384,379	\$377,169	\$366,355	\$354,651
821	777	759	725	706	692	676	673
143	138	120					
13	—	—					
\$ 9,053	\$ 9,197	\$ 11,403	\$ 12,686	\$ 13,795	\$ 13,334	\$ 13,500	\$ 13,262
1.64	1.67	2.07	2.30	2.50	2.42	2.45	2.40
.0187	.0204	.0262	.0313	.0359	.0354	.0368	.0374
\$ 8,273	\$ 8,829	\$ 8,829	\$ 8,829	\$ 8,829	\$ 8,829	\$ 8,829	\$ 8,829
1.50	1.60	1.60	1.60	1.60	1.60	1.60	1.60
.0171	.0196	.0203	.0218	.0230	.0234	.0241	.0249
\$ 22,154	\$ 22,516	\$ 23,316	\$ 24,451	\$ 24,698	\$ 24,319	\$ 23,779	\$ 22,871
4.02	4.08	4.23	4.43	4.48	4.41	4.31	4.14
.0459	.0500	.0536	.0604	.0643	.0645	.0649	.0645
\$ 81,172	\$ 72,501	\$ 67,786	\$ 64,802	\$ 60,055	\$ 54,050	\$ 53,825	\$ 51,919
16.81%	16.09%	15.58%	16.00%	15.62%	14.33%	14.69%	14.64%
\$ 63,595	\$ 62,891	\$ 62,371	\$ 71,379	\$ 66,447	\$ 63,888	\$ 67,509	\$ 72,211
13.17%	13.96%	14.34%	17.63%	17.29%	16.94%	18.43%	20.36%
\$197,996	\$198,270	\$196,843	\$203,466	\$199,609	\$194,643	\$190,138	\$185,467
35.92	35.93	35.67	36.87	36.17	35.28	34.45	33.61
\$ 16,983	\$ 18,332	\$ 19,752	\$ 19,629	\$ 20,726	\$ 21,820	\$ 22,969	\$ 22,891
\$ 11,739	\$ 10,083	\$ 11,783	\$ 9,717	\$ 9,738	\$ 15,468	\$ 17,215	\$ 12,986

GROWTH THROUGH ACQUISITION

Holly Stores, Inc., a New York based retailer of ladies' and children's apparel, was acquired by the Kresge Company on February 1, 1965. The purchase was consummated on the basis of an agreement providing for the delivery to Holly shareholders of 238,165 shares of Kresge stock.

The stock used for this transaction was purchased from the Kresge Foundation for \$47.00 per share in accordance with an option granted on October 26, 1964. Since no new stock was issued, the earnings per share of outstanding Kresge stock are increased by the entire amount of Holly's after-tax net profit.

Our association began on March 1, 1962, when Holly became a ready-to-wear licensee in Kresge's first K mart. As of December 31, 1964, Holly was competently operating 55 K mart departments. The excellent pattern of cooperation established between Holly and the K mart division provided substantial financial success for both parties and was an important reason for our decision to propose full integration.

Holly was organized in 1932 and has operated a chain of some 75 specialty shops and 95 leased departments in discount department stores. All administrative, merchandising, warehousing and shipping activities are headquartered in New York. In late 1964, Holly leased a large modern three-story building for office and warehousing which will provide the concentrated style center needed by the expanded K mart ready-to-wear operation.

Holly will operate as a wholly-owned subsidiary under present management (George Goodfriend, Chairman; Arnold H. Bachner, President; Harold Yaffe, Executive Vice President). The Kresge Company is pleased to welcome these able men and their associates to the Kresge family.



ACCENT ON PROGRESS

The pattern of growth responsible for a volume increase of \$125,000,000 (excluding Holly's sales) makes unusual demands upon company personnel at all levels. New positions specializing in the growth areas must be created. It is necessary to add personnel to established departments and to find more economical ways of performing customary functions.

The rapid expansion of discount units in 1964 necessitated the establishment of separate K mart and Jupiter departments within the discount division to direct the operating, merchandising and promotional functions of the K mart and Jupiter chains.

Associate buyers were added to some of the buying staffs to aid in the development and/or merchandising of K mart departments. A general manager of K mart food supermarkets was appointed.

The jurisdiction of the sales department was augmented to correlate buying and promotional activities more completely. Specialized areas were assigned to members of an enlarged sales staff to insure concentrated promotional efforts in the company's three divisions.

A research committee was formed and the research and systems staff expanded. Both were charged with direct responsibility for finding better methods for all company functions.

Specialists were recruited outside of the company for some of these new functions, but it has been found that experienced Kresge men are well equipped to handle most of the many challenging opportunities provided by the company's expanded activities.





Sebastian S.
Kresge

S. S. KRESGE COMPANY BOARD



Harry B.
Cunningham



Fred K.
Nieman

Claude M.
Booker

Harvey C.
Starkweather

John E.
Hearst

C. Lloyd
Yohe



William G.
Walters

Morgan
Collins

Donald F.
Valley

Stanley S.
Kresge

William H.
Baldwin

NEW DIRECTOR

MORGAN COLLINS

Morgan Collins, professor of business administration at the Graduate School of Business Administration, The University of Michigan, was elected to the Board of Directors at the company's 52nd Annual Meeting, May 19, 1964.

Professor Collins is an honorary secretary of the Massachusetts Institute of Technology, a director of Besser Company, Alpena, Michigan, and Chairman of the Board of Trustees of the Detroit Institute of Cancer Research.

OFFICERS

Sebastian S. Kresge	<i>Chairman of the Board</i>
Stanley S. Kresge	<i>Vice Chairman of the Board</i>
Harry B. Cunningham	<i>President</i>
Fred K. Nieman	<i>Vice President, Store Management and Operations</i>
Claude M. Booker	<i>Vice President, Merchandising</i>
C. Lloyd Yohe	<i>Vice President, K mart and Jupiter Operations</i>
John E. Hearst	<i>Vice President, Finance</i>
W. Eugene Sturges	<i>Vice President, Personnel</i>
John B. Hollister	<i>Vice President, Real Estate</i>
William G. Walters	<i>Secretary</i>
Richard H. Black	<i>Treasurer</i>
Eugene J. Kempf	<i>Comptroller</i>
Robert E. Dewar	<i>Assistant Vice President, Finance</i>

DIRECTORS

Sebastian S. Kresge	Fred K. Nieman
Stanley S. Kresge	Claude M. Booker
Harry B. Cunningham	John E. Hearst
Donald F. Valley	William H. Baldwin
C. Lloyd Yohe	Morgan Collins
Harvey C. Starkweather	

Executive Committee

Harry B. Cunningham—Chairman	
Donald F. Valley	
Fred K. Nieman	Sebastian S. Kresge
Claude M. Booker	Stanley S. Kresge
	<i>Members Ex-officio</i>

Finance Committee

Donald F. Valley—Chairman
Harry B. Cunningham
John E. Hearst

S. S. KRESGE COMPANY

A
MICHIGAN
CORPORATION

Executive Offices

2727 Second Avenue
Detroit, Michigan 48232

Subsidiaries

S. S. Kresge Company, Limited
Toronto, Ontario

Holly Stores, Inc.
New York, New York

Mt. Clemens Pottery Company
Mt. Clemens, Michigan

KG Food Corporation
Detroit, Michigan

Transfer Agents

The National Bank of Detroit
Detroit, Michigan

The Chase Manhattan Bank
New York, New York

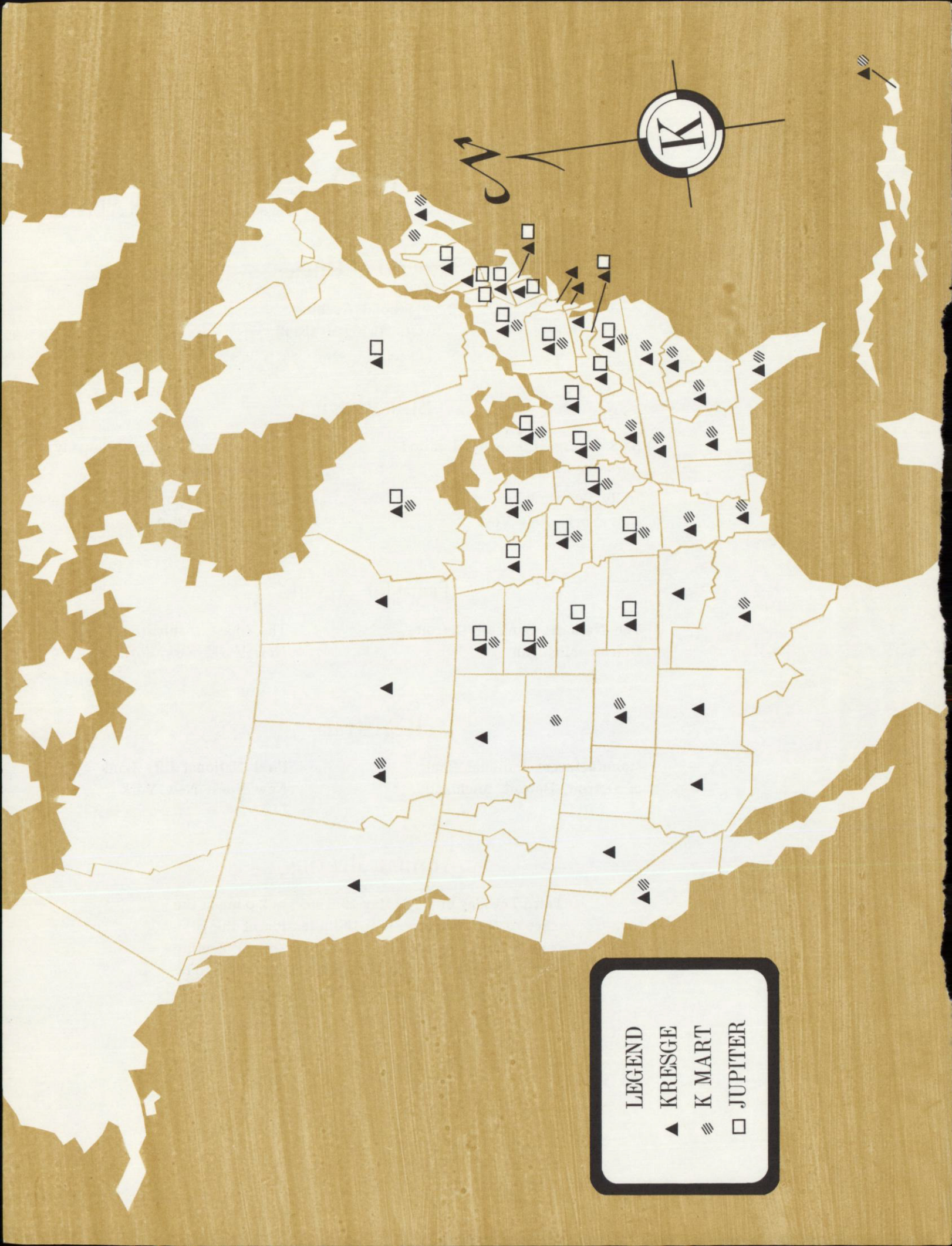
Registrars

Manufacturers National Bank
of Detroit, Detroit, Michigan

First National City Bank
New York, New York

Annual Meeting

Third Tuesday of May (May 18, 1965) at 2 p.m., at the office of the company. It is the intention of the company to solicit proxies for use at the Annual Meeting of the company. The proxy statement is expected to be mailed to shareholders about the first week of April.



LEGEND

▲ KRESGE

▨ K MART

□ JUPITER

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ANNUAL REPORT
1964

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